

**Conectiv Thermal Systems, Inc.**  
**Consolidated Balance Sheet**  
**(Dollars in Thousands)**  
**(Unaudited)**

| <b>ASSETS</b>                                 | <u>As of June 30,</u><br><u>2005</u> |
|---|--------------------------------------|
| <b>Current Assets</b>                         |                                      |
| Cash and cash equivalents                     | *                                    |
| Accounts receivable                           | *                                    |
| Inventories, at average cost                  | *                                    |
| Income tax benefit receivable                 | *                                    |
| Other prepayments                             | *                                    |
|   | *                                    |
| <b>Investments</b>                            |                                      |
| Funds held by trustee                         | *                                    |
| <b>Property, Plant and Equipment</b>          |                                      |
| Property, plant and equipment                 | *                                    |
| Less: Accumulated depreciation                | *                                    |
|   | *                                    |
| <b>Deferred Charges and Other Assets</b>      |                                      |
| Unamortized debt expense                      | *                                    |
| Other   | *                                    |
|   | *                                    |
| <b>Total Assets</b>                           | *                                    |
| <b>LIABILITIES AND OWNER'S EQUITY</b>         |                                      |
| <b>Current Liabilities</b>                    |                                      |
| Accounts payable                              | *                                    |
| Accounts payable to associated companies      | *                                    |
| Taxes and Interest accrued                    | *                                    |
| Notes receivable to associated companies      | *                                    |
| Other   | *                                    |
|   | *                                    |
| <b>Deferred Credits and Other Liabilities</b> |                                      |
| Pension and OPEB                              | *                                    |
| Deferred income taxes, net                    | *                                    |
| Other   | *                                    |
|   | *                                    |
| <b>Capitalization</b>                         |                                      |
| Additional paid-in capital                    | *                                    |
| Retained deficit                              | *                                    |
| Conectiv money pool loan                      | *                                    |
| Total equity                                  | *                                    |
| Variable rate demand bonds <sup>(1)</sup>     | *                                    |
| Total capitalization                          | *                                    |
| <b>Total Capitalization and Liabilities</b>   | *                                    |

<sup>(1)</sup> Classified as current liability for external reporting

\* Filed under request for confidential treatment pursuant to Rule 104(b) of the Public Utility Holding Company Act of 1935.

**Conectiv Thermal Systems, Inc.**  
**Consolidated Statements of Income**  
**(Dollars in Thousands)**  
**(Unaudited)**

**Six Months**  
**Ended June 30, 2005**

|   |   |
|---|---|
| <b>OPERATING REVENUES</b>   | * |
| <b>OPERATING EXPENSES</b>   |   |
| Cost of sales   | * |
| Operation and maintenance   | * |
| Depreciation and amortization   | * |
| Taxes other than income taxes   | * |
|   | * |
| <b>OPERATING INCOME</b>   | * |
| <b>OTHER INCOME</b>   | * |
| <b>INTEREST EXPENSE</b>   |   |
| Interest charges  | * |
| Allowance for borrowed funds used during<br>construction and capitalized interest | * |
|   | * |
| <b>INCOME BEFORE INCOME TAXES</b>   | * |
| <b>INCOME TAXES</b>   | * |
| <b>NET INCOME</b>   | * |

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